



LOCAL PENSION BOARD - 23 AUGUST 2021

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PENSION FUND CONTINUOUS IMPROVEMENTS REPORT

Purpose of the Report

1. To provide a regular update to the board regarding progress in respect of areas of identified improvement within the Pensions Section.

Background

2. The Continued Improvements and Systems team has been created to assess and improve existing processes, maximising the use of technology, whilst exploring other areas including tenders, new legislation, governance and data quality. An appendix has been provided to cover the areas of improvement to be addressed, but the key developments since last quarter are provided in more detail below.

Member Self Service (MSS)

3. Pensions provide a Member Self Service facility through the website for scheme members and encouraging them to sign up is a key aim. All scheme members have the opportunity to register for an MSS account which allows them instant access to their pension details. It allows members to see the current value of their pension benefits as well as the ability to transfer documents securely to and from the pensions section. Active and deferred members are able to perform their own pension calculations, whilst pensioner members are able to download and print off payslips and P60s. A demonstration of the system was most recently provided to the Board following the meeting on 8th February 2021.
4. The latest registration figures, provided in Appendix A show an overall slight increase from those shown in the previous report with over a thousand more members either partially or fully registered.
5. In order to encourage further take up and to coincide with the production of Annual Pension Statements due on 31st August an article is due to be published on the County Council intranet in early September. In addition, Leicestershire Police have publishing an article on a monthly basis since June

encouraging their members to register. Other employers were contacted at the end of July and asked to distribute a message to their scheme members promoting registration with MSS this month in order that they may view their Statements.

Bulk Deferred and Refund Calculations

6. The latest version of the Pensions administration system Altair, now allows for some automation of calculations to be performed in bulk. There are two areas where this can be performed: refund quotations and deferred benefits, subject to satisfying the criteria stated in the specification.
7. The calculation is currently restricted to calculations where:
 - Membership of the LGPS began on or after 1st April 2014;
 - The member record already shows the leaving date and a 'undecided leaver' status;
 - All pension contribution data and CARE pay (*i.e. Career Average Revalued Earnings, the pay that pension contributions have been deducted from and the figure used in the calculation of pension benefits*) are already included on the record.
8. Prior to 1st April 2014, the calculation of pension benefits is fundamentally different, less suited to automation and has not yet been incorporated into this bulk facility.
9. Given the criteria described above, this development is particularly suited to employers who have signed up to the Pensions iConnect facility as pension contributions and CARE pay plus leaving dates, are posted month directly to member records on a monthly basis. As 92% of active scheme member records are now updated using iConnect, there are a relatively small number of leavers that would not be eligible for inclusion in this process.
10. Where iConnect is not in use, data in respect of the tax year of leaving is provided via a leaver form that is emailed to the office and needs to be entered on to the record manually by Officers, which is why these cases would not be eligible for inclusion in any bulk run.
11. These are both areas with significant volumes of cases, covering all scheme leavers with less than two years membership and those aged under aged 55 with an entitlement to a deferred pension. At the time of writing a process is being trialled for limited numbers of records and any issues are being worked through. For example, a change in approach will be required to identify which cases can be processed automatically and which will still require manual input.

12. Whilst such a process has an obvious benefit, with the ability to clear large numbers of cases in less time, there are other issues to consider. For example, the reason for leaving is assumed to be voluntary, creating a risk for ill health or death cases to be incorrectly processed.
13. On a related note, work has begun on refining the need for employers to provide a leaver form in all cases, given that all required information has already been provided through iConnect for scheme members who do not have any entitlement to final salary benefits. In order for a new approach to work, Officers are working on a robust method of ensuring that no cases are missed. It is expected that a leaver form will still be required for all leavers aged 55 or over. An employer has been identified for a trial period and progress will be monitored.

Customer Satisfaction Surveys

14. Following the production of a pension estimate or the completion of a retirement case, a Customer Satisfaction survey is made available to scheme members. These provide valuable feedback from members which feeds into the quarterly admin report that is produced for the Board.
15. The number of completed surveys have dropped in recent months. This directly relates to the reduction in the number of paper surveys issued as a result of more retirement and estimate letters being uploaded directly to members through MSS and less being posted. When a letter is posted a paper survey form is provided along with a pre-paid envelope. For MSS cases, a link to an online survey is included in the email that is sent to scheme members advising them of that their letter has been sent to their online account.
16. As a result, officers are currently exploring different ways of encouraging members to complete the surveys. From July, a separate email, sent in the month following the completion of the case work has been issued. Whilst at the time of writing it is too early to say if this will improve matters, the number of completed surveys will continue to be monitored and other ideas considered.

EPIC

17. Further to the section covering 'Employer Risk' in the Continuous Improvements Report dated 24th May 2021, Officers have purchased EPIC, from South Yorkshire Pension Fund, an employer database that is designed assist officers in the recording of key employer data. It has been designed to enable the recording of key items that are not held in Altair including financial data and employer contacts, which will make targeted correspondence easier to produce. It will also provide alerts for annual exercises such as bond

reviews, employer policies and the storage of key documentation, e.g. admission agreements.

18. This is a separate system and not related to the Heywood products such as Altair or iConnect.

19. Work has now begun on reformatting the data described above to allow Officers from South Yorkshire to transfer the bulk of that data automatically into EPIC in preparation for when the system goes live.

20. At the time of writing Officers have agreed:

- Supply the formatted data to South Yorkshire Pension Fund by 30th July;
- A 'test' version of EPIC will be released approx. mid August;
- Officers will sign off on the test version and go live in September.
- An update on the EPIC system will be provided in the next report.

Recommendation

21. It is recommended that the Board notes all areas of the report.

Equality and Human Rights Implications

None specific

Appendix

Appendix A: Member Self Service Registrations 25th July 2021

Appendix B: Areas of Improvement August 2021

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